

LOAN AGREEMENT

between

LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT

and

BELLARMINE UNIVERSITY INCORPORATED

\$14,600,000

Louisville/Jefferson County Metro Government
Taxable College Refunding and Improvement Revenue Bonds,
Series 2008B
(Bellarmine University Project)

Dated

as of

May 1, 2008

Frost Brown Todd LLC
Bond Counsel

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(This Index is not a part of the Agreement
but rather is for convenience of reference only)

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LOAN AGREEMENT

THIS LOAN AGREEMENT is made and entered into as of May 1, 2008 between Louisville/Jefferson County Metro Government, a consolidated government and political subdivision of the Commonwealth of Kentucky, (the "Issuer"), and Bellarmine University Incorporated, a Kentucky nonprofit corporation (the "University"), under the circumstances summarized in the following recitals (the capitalized terms not defined above or in the recitals being used therein as defined in or pursuant to Article 1 hereof):

A. The Issuer is authorized by the Industrial Buildings for Cities and Counties Act, as amended, Kentucky Revised Statutes ("KRS") 103.200 to 103.285 (the "Act"), to issue industrial building revenue bonds and to loan the proceeds thereof to any person to finance and/or refinance the cost of any "industrial building" (as defined in the Act), including specifically land, buildings, improvements, equipment, machinery, and other facilities suitable for any nonprofit educational institution in any manner related to or in furtherance of the educational purposes of such institution, including but not limited to classroom, laboratory, housing, administrative, physical educational and medical research and treatment facilities, in order to accomplish the public purposes of promoting the economic development of the Commonwealth of Kentucky (the "State"), relieving conditions of unemployment, and encouraging the increase of industry therein.

B. The Act further authorizes the Issuer to issue its refunding bonds under the provisions of the Act to refund bonds issued and outstanding under the Act, together with any unpaid interest thereon, to create any necessary debt service reserve fund, and to pay the cost of any improvements or additions to the project financed from the proceeds of the bonds to be refunded, and of any premiums, expenses, and commissions required to be paid in connection therewith, which refunding bonds shall be payable from the revenues out of which the bonds to be refunded were payable.

C. The University is an institution of higher education and has applied to the Issuer for the issuance of industrial building revenue bonds of the Issuer and the loan of the proceeds thereof to the University to (i) advance refund a portion of the outstanding Louisville/Jefferson County Metro Government, College Revenue Bonds (Bellarmine College Project), Series 2006 (the "Prior Bonds") (the refunding of the Prior Bonds being hereinafter referred to as the "Refunding Project"), and; (ii) pay costs of issuance of the bonds.

D. The Issuer has determined to issue \$14,600,000 aggregate principal amount of its College Refunding and Improvement Revenue Bonds, Series 2008B (Bellarmine University Project) (the "Project Bonds") pursuant to the Indenture hereinafter mentioned and loan the proceeds thereof to the University pursuant to this Loan Agreement to finance the costs of the Project.

E. The Bonds are secured, in part, by an assignment to the Trustee of this Loan Agreement and the payments due thereunder (except Unassigned Rights) and by all the moneys and securities in the funds established under the Indenture to pay the Costs of the Project.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto covenant, agree and bind themselves as follows (provided that any obligation of the Issuer created by or arising out of this Agreement shall not be a general debt on its part but shall be payable solely out of the Revenues, as defined in the Indenture):

ARTICLE I DEFINITIONS

Section 1.1. Use of Defined Terms. Words and terms defined in the Indenture shall have the same meanings when used herein, unless the context or use clearly indicates another meaning or intent. In addition, the words and terms set forth in Section 1.2 hereof shall have the meanings set forth therein unless the context or use clearly indicates another meaning or intent.

Section 1.2. Definitions. As used herein:

"Additional Payments" means the amounts required to be paid by the University pursuant to the provisions of Section 4.2 hereof.

"Agreement" means this Loan Agreement, as amended or supplemented from time to time.

"Event of Default" means any of the events described as an Event of Default in Section 7.1 hereof.

"Indenture" means the Trust Indenture, dated as of even date herewith, between the Issuer and the Trustee, as amended or supplemented from time to time.

"Loan" means the loan by the Issuer to the University of the proceeds received from the sale of the Project Bonds.

"Loan Payment Date" means any date on which any of the Loan Payments are due and payable, whether at maturity, upon acceleration, call for redemption or prepayment, or otherwise.

"Loan Payments" means the amounts required to be paid by the University in repayment of the Loan.

"Notice Address" means:

(a) As to the Issuer: Louisville/Jefferson County Metro Government
527 West Jefferson Street
Louisville, Kentucky 40202
Attention: Mayor

- (b) As to the University: Bellarmine University Incorporated
2001 Newburg Road
Louisville, Kentucky 40205
Attention: Vice President for Administration and Finance
- (c) As to the Trustee: U.S. Bank National Association
One Financial Square
Louisville, Kentucky 40202
Attention: Corporate Trust Department
- (d) As to the Bank: Fifth Third Bank
401 South Fourth Avenue
Louisville, Kentucky 40202
Attention: _____
- (e) As to the Remarketing Agent, at:
- NatCity Investments, Inc.

Attention: _____

or such additional or different address, notice of which is given under Section 8.2 hereof.

“Project” means the improvements constructed with the Prior Bonds.

"Project Bonds or Project Refunding Bonds" means Louisville/Jefferson County Metro Government Taxable College Refunding and Improvement Revenue Bonds, Series 2008B (Bellarmine University Project) authorized in the Indenture, in the original principal amount of \$14,600,000, following a tax-exempt conversion shall be called Louisville/Jefferson County Metro Government Tax-Exempt College Refunding and Improvement Revenue Bonds, Series 2008B (Bellarmine University Project).

“Project Site” means the land upon which the Project sits.

“Prior Bonds” means the Louisville/Jefferson County Metro Government College Refunding and Improvement Revenue Bonds, Series 2006 (Bellarmine University Project).

"Refunding Project" means the refunding of a portion of the Prior Bonds.

"Segregated Series" means Project Bonds which have undergone a Tax-Exempt Conversion.

"Tax Certificate" means the Tax Compliance Certificate of the University delivered in connection with the initial issuance and delivery of the Project Bonds.

"Tax-Exempt Conversion" means a conversion pursuant to Sections 2.08 and 2.11 of the Indenture in which Project Bonds (or Beneficial Ownership Interests), the interest on which is includable in gross income for federal income tax purposes, are subject to mandatory tender, and in replacement thereof Project Bonds, the interest on which is excludable from gross income for federal income tax purposes under the Code, are issued and sold.

"Trustee" means the Trustee at the time acting as such under the Indenture, originally U.S. Bank National Association, as Trustee, and any successor Trustee as determined or designated under or pursuant to the Indenture.

"Unassigned Issuer's Rights" means all of the rights of the Issuer to receive Additional Payments under Section 4.2 hereof, to be held harmless and indemnified under Section 5.3 hereof, to be reimbursed for attorney's fees and expenses under Section 7.4 hereof, and to give or withhold consent to amendments, changes, modifications, alterations and termination of this Agreement under Section 8.5 hereof.

Section 1.3. Interpretation. Any reference herein to the Issuer or to any member or officer of either includes entities or officials succeeding to their respective functions, duties or responsibilities pursuant to or by operation of law or lawfully performing their respective functions.

Any reference to a section or provision of the Constitution of the State or the Act, or to a section, provision or chapter of the Kentucky Revised Code or to any statute of the United States of America, includes that section, provision, chapter or statute as amended, modified, revised, supplemented or superseded from time to time; provided, that no amendment, modification, revision, supplement or superseding section, provision, chapter or statute shall be applicable solely by reason of this provision if it constitutes in any way an impairment of the rights or obligations of the Issuer, the Holders, the Trustee, the Bank or the University under this Agreement.

Unless the context indicates otherwise, words importing the singular number include the plural number, and vice versa; the terms "hereof", "hereby", "herein", "hereto", "hereunder" and similar terms refer to this Agreement; and the term "hereafter" means after, and the term "heretofore" means before, the date of delivery of the Project Bonds. Words of any gender include the correlative words of the other genders, unless the sense indicates otherwise.

Section 1.4. Captions and Headings. The captions and headings in this Agreement are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Articles, Sections, subsections, paragraphs, subparagraphs or clauses hereof.

ARTICLE II REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.1. Representations, Warranties and Covenants of the Issuer. The Issuer represents and warrants that:

(a) It is a duly organized and validly existing consolidated government and political subdivision under the laws of the State.

(b) It has full legal right, power and authority pursuant to the Act to refinance the Prior Bonds through the issuance of the Project Bonds; has given any necessary notices and has taken all other steps and followed all procedures required by the Constitution and laws of the State (including the Act) in connection therewith; and has full legal right, power and authority to (i) enter into this Agreement, the Bond Purchase Agreement and the Indenture, (ii) issue, sell and deliver the Project Bonds and (iii) carry out and consummate all other transactions contemplated by this Agreement, the Bond Purchase Agreement and the Indenture.

(c) It has duly authorized (i) the execution, delivery and performance of this Agreement, the Project Bonds, the Bond Purchase Agreement and the Indenture, and (ii) the taking of any and all such actions as may be required on the part of the Issuer to carry out, give effect to and consummate the transactions contemplated by such instruments.

(d) This Agreement, the Bond Purchase Agreement and the Indenture constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms; this Agreement, the Bond Purchase Agreement and the Indenture have been duly authorized and executed by the Issuer; and, when authenticated by the Trustee in accordance with the provisions of the Indenture, the Project Bonds will have been duly authorized, executed, issued and delivered and will constitute legal, valid and binding special obligations of the Issuer in conformity with the provisions of the Act and the Constitution of the State.

(e) To the Issuer's knowledge, there is no action, suit, proceeding, inquiry, or investigation to which the Issuer is a party at law or in equity or before or by any court, public board or body, pending or, to the knowledge of the Issuer, threatened against the Issuer, which in any manner questions the validity of the Act, the powers of the Issuer referred to in paragraph (b) above or the validity of any proceedings taken by the Issuer in connection with the issuance of the Project Bonds or wherein any unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by this Agreement or which, in any way, would adversely affect the validity or enforceability of the Project Bonds, the Indenture, the Bond Purchase Agreement or this Agreement (or of any other instrument required of the Issuer or contemplated for use by the Issuer in consummating the transactions contemplated thereby and hereby).

(f) To the Issuer's knowledge, the execution and delivery by the Issuer of this Agreement, the Project Bonds, the Bond Purchase Agreement and the Indenture in compliance with the provisions of each of such instruments will not conflict with or constitute a breach of, or default under, any material commitment, agreement or other instrument to which the Issuer is a party or by which it is bound, or under any provision of the Act, the Constitution of the State or any existing law, rule, regulation, ordinance, judgment, order or decree to which the Issuer is subject.

(g) The Issuer will do or cause to be done all things necessary, so far as lawful, to preserve and keep in full force and effect its existence or to assure the assumption of its obligations under this Agreement, the Indenture and the Bonds by any successor public body.

Section 2.2. Representations, Warranties and Covenants of the University. The University represents, warrants and covenants that:

A. The University is a nonprofit corporation duly incorporated under the laws of the State, is in good standing and duly authorized to conduct its business in the State, and is a “nonprofit educational institution” within the meaning of the Act. The University is organized and operated exclusively for educational and charitable purposes and not for pecuniary profit, and no part of the net earnings of the University inures to the benefit of any person, private stockholder, or individual.

B. The University is duly authorized and licensed to operate its facilities under the laws, rulings, regulations, and ordinances of the State and the departments, agencies, and political subdivisions thereof and under all other applicable provisions of law.

C. The University has full corporate power under the laws of the State and all other applicable provisions of law and its articles of incorporation and bylaws to execute and deliver and to perform its obligations under this Loan Agreement and the other University Agreements and all corporate action on its part necessary for the valid execution and delivery of this Loan Agreement and the other University Agreements has been duly and effectively taken; and this Loan Agreement and the other University Agreements are and will be the legal, valid and binding obligations of the University, enforceable in accordance with their respective terms, subject to the qualification that the enforcement of such obligations may be limited by laws relating to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws affecting creditors’ rights generally and by the availability of equitable remedies or the application of principles of equitable subordination. The execution and delivery by the University of this Loan Agreement and the other University Agreements and the approval by the University of the Indenture and compliance with the provisions thereof will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, the articles of incorporation or bylaws of the University or any existing law, court or administrative regulation, decree, order, agreement, indenture, mortgage, lease or instrument by which the University or its property is or may be bound.

D. There does not exist any corporate restriction or any agreement or instrument to which the University is now a party or by which it or any of its property is bound, which would prevent the execution and delivery of this Loan Agreement or the other University Agreements or the performance thereof or result in the creation or imposition of any lien, charge, or encumbrance of any nature upon the University Premises or any part thereof or interest therein, or permit any person to seek injunctive relief as to the execution, delivery, consummation or fulfillment of the terms of any of the foregoing, or with respect to which the execution, delivery or performance hereof or of any other University Agreement would constitute a breach, default or violation.

E. No litigation, proceedings or investigations are pending or, to the knowledge of the University, threatened against the University seeking to restrain, enjoin or in any way limit the execution and delivery of this Loan Agreement or the other University Agreements by the University, or which would in any manner challenge or adversely affect the corporate existence or powers of the University to enter into and carry out the transactions described in or contemplated by or the execution, delivery, validity or performance by the University of the terms and provisions of this Loan Agreement or the other University Agreements.

F. None of the proceeds of the Bonds will be used, directly or indirectly, to pay, to reimburse the University for the payment of, or to refund indebtedness the proceeds of which were used to pay, for the acquisition, construction, renovation, remodeling or equipping of any of the expenses of any institution, place or building, or any portion thereof, used or to be used for sectarian instruction or study or as a place for devotional activities or religious worship or in connection with any part of the program of a school or department of divinity for any religious denomination or the training of ministers, priests, rabbis or similar persons in the field of religion.

G. The Project Facilities constitute an “industrial building” within the meaning of the Act. The University currently intends to operate the Project Facilities as an “industrial building” within the meaning of the Act from the date hereof to the expiration or earlier termination of this Loan Agreement as provided herein.

H. All audited and unaudited financial statements which the University has heretofore furnished to Issuer or the Purchaser (as defined in the Bond Purchase Agreement) accurately present the financial condition of University as of the respective dates thereof and the results of its operations and cash flows for the periods then ended and were prepared in accordance with generally accepted accounting principles. Since the date of the most recent such financial statements, there has been no material adverse change in the business, properties or condition (financial or otherwise) of the University.

I. All financial and other information provided to the Purchaser by or on behalf of the University (whether in verbal or written form) in connection with University’s request for the Loan is true and correct in all material respects and, as to projections, valuations or pro forma financial statements, present a good faith opinion as to such projections, valuations and pro forma statements and results, and the University has not made to the Purchaser any untrue statement of a material fact or omitted to state a material fact necessary to make any statement made to the Purchaser with respect to this Loan Agreement not misleading.

J. The University has paid or caused to be paid to the proper authorities when due all federal, state and local taxes required to be withheld by it. The University has filed all federal, state and local tax returns that are required to be filed, and has paid or caused to be paid to the respective taxing authorities all taxes as shown on those returns or on any assessment received by it to the extent those taxes have become due.

K. To the best of the University’s knowledge, no elected official, officer or other official of the Issuer has any financial interest whatsoever in the University or in the transactions contemplated by this Loan Agreement.

L. No Default or Event of Default exists.

M. The only trade name used by the University is Bellarmine University.

N. The Bank does not control, either directly or indirectly through one or more intermediaries, the University. Likewise, the University does not control, either directly or indirectly through one or more intermediaries, the Bank. “Control” for this purpose has the meaning given to such term in Section 2(a)(9) of the Investment Company Act of 1940. The University agrees to

provide written notice to the Trustee, the Remarketing Agent, and the Bondholders thirty days prior to consummation of any transaction that would result in the University controlling or being controlled by the Bank or any provider of an Alternate Letter of Credit or Supplemental Credit Facility.

O. The University represents that the Reimbursement Agreement and the documents referenced therein constitute the entire agreement between the University and the Bank respecting the Loan.

P. The University covenants that it will not take any action, directly or indirectly (including, but not limited to, any amendment to the Reimbursement Agreement), nor fail to take any action, directly or indirectly, which would cause any payment under the Letter of Credit to be a voidable preference under Section 547 of Title 11 of the United States Code, U.S.C. §101 et. seq. (the "Bankruptcy Code") which is recoverable under Section 550(a) of the Bankruptcy Code in the event of the filing of a petition in bankruptcy by or against the University or the Issuer.

All representations of the University contained herein or in any certificate or other instrument delivered by the University pursuant to any of the University Agreements or the Indenture, or in connection with the transactions contemplated thereby, shall survive the execution and delivery thereof and the issuance, sale and delivery of the Bonds as representations of facts existing as of the date of execution and delivery of the instrument containing such representation.

Section 2.3 Accounting Terms and Determinations. . Unless otherwise specified, all accounting terms herein or in the Indenture have the meanings assigned to them, and all computations required under any of the University Agreements or under the Indenture shall be made, in accordance with Generally Accepted Accounting Principles.

ARTICLE III ISSUANCE OF THE PROJECT BONDS

Section 3.1. Issuance of the Bonds; Application of Proceeds. To provide funds for the purposes of assisting the University in refunding the Prior Bonds and to pay Costs of Issuance, the Issuer will issue, sell and deliver the Project Bonds upon the order of the Underwriter as provided in the Bond Purchase Agreement;; provided that any Segregated Series of Project Bonds shall be delivered upon the order of the Remarketing Agent as provided and subject to the conditions contained in the Indenture and the Remarketing Agreement. The Project Bonds will be issued pursuant to the Indenture in the aggregate principal amount, will bear interest, will mature and will be subject to redemption as set forth therein. The University hereby approves the terms and conditions of the Indenture and the Project Bonds, and the terms and conditions under which the Project Bonds will be issued, sold and delivered.

Pending disbursement pursuant to Section 3.2 hereof, the proceeds deposited in the Project Refunding Fund, together with any investment earnings thereon, shall constitute a part of the Revenues assigned by the Issuer to the payment of Bond Service Charges as provided in the Indenture.

Section 3.2 Disbursements from the Project Refunding Fund. Subject to the provisions below, disbursements from the Project Refunding Fund shall be made as follows:

(a) Costs of Issuance incurred in the issuance of the Bonds, including financial, legal, accounting, printing and engraving fees, charges and expenses, and all other fees, charges and expenses incurred in connection with the authorization, sale, issuance and delivery of the Project Bonds, including, without limitation, the reasonable fees and expenses of the Issuer, Issuer's Counsel, Bond Counsel, the Trustee, the Letter of Credit Bank and its counsel; and

(b) amounts remaining in the Refunding Fund following payments of the costs referenced in subparagraph (a) above shall be deposited in the Escrow Deposit Account of the Escrow Agreement to be held by the Escrow Trustee.

ARTICLE IV

AGREEMENT TO LEND; USE OF PROJECT BOND PROCEEDS; REFUNDING PROJECT

Section 4.1 Agreement to Lend, Use of Project Bond Proceeds. The Issuer agrees to make, solely from the proceeds of the Project Bonds, and the University agrees to accept, a loan of \$14,600,000 (the "Loan") to partially refund the Prior Bonds. The University's obligation to repay the Loan shall be as specified in Section 5.1 hereof, together with interest due on the Loan at the interest rate for the Project Bonds as set forth in the Indenture and all other amounts due hereunder. The University acknowledges receipt of the proceeds of the Loan and directs the proceeds to be deposited and disbursed in the manner provided in the Indenture and in accordance with the provisions hereof and thereof and the making of all payments required hereunder as and when the same shall become due.

Section 4.2 Refunding Project. The University represents and covenants that it has taken and will take all actions required on its part for the partial refunding and redemption of the Prior Bonds in accordance with and at the earliest times permitted under the terms thereof.

Section 4.3 Reliance by Bondholders. This Loan Agreement is executed in part to induce the purchase by others of Bonds and, accordingly, all representations, warranties, covenants and agreements on the part of the University and the Issuer, as set forth in this Loan Agreement and the other University Agreements, are hereby declared to be for the benefit of the holders from time to time of the Bonds.

ARTICLE IV

LOAN BY ISSUER; REPAYMENT OF THE LOAN; LOAN PAYMENTS AND ADDITIONAL PAYMENTS

Section 4.1. Loan Repayment and Letter of Credit.

(a) Upon the terms and conditions of this Agreement, the Issuer shall loan the proceeds of the Project Bonds to the University. In consideration of and in repayment of the Loan,

the University shall make, as Loan Payments, payments sufficient in time and amount to pay when due all Bond Service Charges. All Loan Payments shall be paid to the Trustee for the account of the Issuer and shall be held and applied in accordance with the provisions of the Indenture and this Agreement. To the extent of payments made with respect to Bond Service Charges pursuant to draws upon the Letter of Credit, the University shall receive a credit against its obligation to make Loan Payments under this Agreement.

Upon payment in full, in accordance with the Indenture, of the Bond Service Charges on any series of Bonds, whether at maturity or by redemption or otherwise, or upon provision for the payment thereof having been made in accordance with the provisions of the Indenture, the Bonds shall be deemed fully paid, the obligations of the University thereunder shall be terminated.

Except for such interest of the University and the Bank as may hereafter arise pursuant to Section 5.07 or 5.08 of the Indenture, the University and the Issuer each acknowledge that neither the University nor the Issuer has any interest in the Bond Fund and any moneys deposited therein shall be in the custody of and held by the Trustee in trust for the benefit of the Holders and, to the extent of amounts due under the Reimbursement Agreement, the Bank.

(b) The University shall have and may exercise on any date upon which the Bonds may be redeemed pursuant to the Indenture prior to the expiration of the term of this Agreement so long as no Event of Default has occurred and is continuing, the option to purchase the Project under the provisions of this Section upon paying or causing to be paid to the Trustee the purchase price therefor in an amount as provided in subparagraph (d) below.

Section 4.2. Additional Payments.

The University shall pay to the Issuer, as Additional Payments hereunder, within five (5) days after request therefore made in writing and specifying such costs and expenses with reasonable particularity any and all costs and expenses actually incurred or to be paid by the Issuer in connection with the issuance and delivery of the Project Bonds and Additional Bonds or otherwise related to actions taken by the Issuer under this Agreement or the Indenture.

The University shall pay to the Trustee its reasonable fees, charges and expenses for acting as such under the Indenture.

Any payments under this Section not paid when due shall bear interest at the Interest Rate for Advances.

Section 4.3. Place of Payments. The University shall make all Loan Payments directly to the Trustee at its Operations Office. Additional Payments shall be made directly to the person or entity to whom or to which they are due.

Section 4.4. Obligations Unconditional. The obligations of the University to make Loan Payments, Additional Payments and any payments required of the University under Section 4.3 hereof shall be absolute and unconditional, and the University shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including,

without limitation, any defense, set-off, recoupment or counterclaim which the University may have or assert against the Issuer, the Trustee, the Bank or any other Person; provided that the University may contest or dispute the amount of any such obligation (other than Loan Payments) so long as such contest or dispute does not result in an Event of Default under the Indenture.

Section 4.5. Assignment of Agreement and Revenues. To secure the payment of Bond Service Charges, the Issuer shall assign to the Trustee, by the Indenture, all its right, title and interest in and to the Revenues and the Agreement (except for Unassigned Issuer's Rights). The University hereby agrees and consents to that assignment.

Section 4.6. Letter of Credit. Simultaneously with the initial delivery of the Project Bonds pursuant to the Indenture and the Bond Purchase Agreement, the University shall cause the Bank to issue and deliver to the Trustee the Letter of Credit, in substantially the form attached to the Reimbursement Agreement and made a part thereof. The Letter of Credit may be replaced by an Alternate Letter of Credit complying with the provisions of Section 5.09 of the Indenture.

ARTICLE V ADDITIONAL AGREEMENTS AND COVENANTS

Section 5.1. Right of Inspection. Subject to reasonable security and safety regulations and upon reasonable notice, the Issuer, the Bank and the Trustee, and their respective agents, shall have the right to inspect the Project.

Section 5.2. Sale, Loan or Grant of Use by University. With the written consent of the Bank and subject to any other agreement to which the University is a party or by which it is bound, the University may sell, loan or grant the right to occupy and use the Project, in whole or in part, to others, provided that:

- (a) No such sale, loan or grant shall relieve the University from the University's obligations under this Agreement;
- (b) In connection with any such sale, loan or grant the University shall retain such rights and interests as will permit the University to comply with the University's obligations under this Agreement;
- (c) No such sale, loan or grant shall impair materially the purposes of the Act to be accomplished by operation of the Project as herein provided or adversely affect the exclusion from gross income for federal income tax purposes of the interest on any Segregated Series.

Section 5.3. Indemnification. The University releases the Issuer from, agrees that the Issuer shall not be liable for, and shall indemnify the Issuer against, all liabilities, claims, costs and expenses, including reasonable attorneys fees and expenses, imposed upon, incurred or asserted against the Issuer on account of: (a) any loss or damage to property or injury to or death of or loss by any person that may be occasioned by any cause whatsoever pertaining to the acquisition, construction, installation, equipping, maintenance, operation or use of the Project; (b) any breach or default

on the part of the University in the performance of any covenant or agreement of the University under this Agreement and the Reimbursement Agreement or any related document, or arising from any act or failure to act by the University, or any of the University's agents, contractors, servants, employees or licensees; (c) the authorization, issuance, sale, trading, remarketing, redemption or servicing of the Project Bonds, and the provision of any information or certification furnished in connection therewith concerning the Project Bonds, the Project, the University including, without limitation, the Preliminary Official Statement and the Official Statement (each as defined in the Bond Purchase Agreement), any information furnished by the University or the Bank for, and included in, or used as a basis for preparation of, any certifications, information statements or reports furnished by the Issuer, and any other information or certification obtained from the University or the Bank to assure the exclusion of the interest on any Segregated Series from gross income of the Holders thereof for federal income tax purposes; (d) the University's failure to comply with any requirement of this Agreement or the Code pertaining to such exclusion of that interest, including the covenants in Section 5.4 hereof; and (e) any claim, action or proceeding brought with respect to the matters set forth in (a), (b), (c), or (d) above.

The University agrees to indemnify the Trustee for, and to hold it harmless against, all liabilities, losses, damages, fines, penalties, claims, costs and expenses (including out-of-pocket and incidental expenses and fees and expenses of in-house and outside counsel) incurred without negligence or willful misconduct on the part of the Trustee on account of any action taken or omitted to be taken by the Trustee in accordance with the terms of this Agreement, the Bonds, the Reimbursement Agreement, the Letter of Credit, or the Indenture, or any action taken at the request of or with the consent of the University, including the costs and expenses of the Trustee in defending itself against any such claim, action or proceeding brought in connection with the exercise or performance of any of its powers or duties under this Agreement, the Bonds, the Indenture, the Reimbursement Agreement or the Letter of Credit.

In case any action or proceeding is brought against the Issuer or the Trustee in respect of which indemnity may be sought hereunder, the party seeking indemnity promptly shall give notice of that action or proceeding to the University, and the University upon receipt of that notice shall have the obligation and the right to assume the defense of the action or proceeding; provided, that failure of a party to give that notice shall not relieve the University from any of the University's obligations under this Section unless that failure materially prejudices the defense of the action or proceeding by the University. An indemnified party at its own expense may employ separate counsel and participate in the defense. The University shall not be liable for any settlement made without the University's consent.

The indemnification set forth above is intended to and shall include the indemnification of all affected officials, directors, officers and employees of the Issuer and the Trustee, respectively. That indemnification is intended to and shall be enforceable by the Issuer and the Trustee, respectively, to the full extent permitted by law.

Section 5.4. University Not to Adversely Affect Exclusion from Gross Income of Interest on Project Bonds. The University hereby represents that the University has taken and caused to be taken, and covenants that the University will take and cause to be taken, all actions that may be required of the University, alone or in conjunction with the Issuer, for the interest on any Segregated

Series of the Project Bonds to be and remain excluded from gross income for federal income tax purposes, and represents that the University has not taken or permitted to be taken on the University's behalf, and covenants that the University will not take or permit to be taken on the University's behalf, any actions that would adversely affect such exclusion under the provisions of the Code.

If the University becomes aware of any actions or facts which have caused or will cause the interest on any Segregated Series of the Project Bonds to be includable in gross income for federal income tax purposes, the University promptly shall (a) notify the Trustee and the Remarketing Agent of such actions or facts and (b) take such steps as are necessary to cause redemption of such Segregated Series in whole at the earliest practicable date.

Without limiting the generality of the foregoing, the University shall monitor the capital expenditures incurred by it and by any other "principal user" of the Project, with respect to the Project. Within 30 days after each of the first, second and third anniversary dates of the issuance of any Segregated Series of the Project Bonds, the University shall file with the Trustee and the Remarketing Agent a report showing cumulative capital expenditures which must be counted for purposes of the \$10 million capital expenditure limitation contained in Section 144(a) of the Code. Such report shall be certified as true and accurate by the Authorized University Representative.

Section 5.5. Assignment by Issuer. Except for the assignment of this Agreement to the Trustee, the Issuer shall not attempt to further assign, transfer or convey its interest in the Revenues or this Agreement or create any pledge or lien of any form or nature with respect to the Revenues or the payments hereunder.

Section 5.6. University's Performance Under Indenture. The University has examined the Indenture and approves the form and substance of, and agrees to be bound by, its terms. The University, for the benefit of the Issuer and each Bondholder, shall do and perform all acts and things required or contemplated in the Indenture to be done or performed by the University. The University is a third party beneficiary of certain provisions of the Indenture, and Section 8.05 of the Indenture is hereby incorporated herein by reference.

Section 5.7. Compliance with Laws. The University shall, throughout the term of this Agreement, promptly comply or cause compliance in all material respects with all laws, ordinances, orders, rules, regulations and requirements of duly constituted public authorities which may be applicable to the Project or to the repair and alteration thereof, or to the use or manner of use of the Project or to the University's and any lessee's operations on the Project Site. Notwithstanding the foregoing, the University shall have the right to contest or cause to be contested the legality or the applicability of any such law, ordinance, order, rule, regulation or requirement so long as, in the opinion of counsel satisfactory to the Trustee and the Bank, such contest shall not in any way materially adversely affect or impair the obligations of the University hereunder or any right or interest of the Trustee or the Bank in, to and under the Indenture or this Agreement.

Section 5.8. Taxes, Permits, Utility and Other Charges. The University shall pay and discharge or cause to be paid and discharged, promptly as and when the same shall become due and payable, all taxes and governmental charges of any kind whatsoever that may be lawfully assessed against the Issuer, the Trustee, the Bank or the University with respect to the Project or any portion

thereof. The University may in good faith contest or cause to be contested any such tax or governmental charge, and in such event may permit such tax or governmental charge to remain unsatisfied during the period of such contest and may appeal therefrom unless in the opinion of counsel satisfactory to the Trustee and the Bank by such action any right or interest of the Trustee or the Bank in, to and under the Indenture or this Agreement shall be materially endangered or the Project or any part thereof, shall become subject to imminent loss or forfeiture, in which event such tax or governmental charge shall be paid prior to any such loss or forfeiture. The University shall procure or has caused to be procured any and all necessary building permits, other permits, licenses and other authorizations required for the lawful and proper acquisition, construction and installation of the property comprising the Project for the lawful and proper use and operation of the Project.

Section 5.9. Continued Existence. Except as otherwise provided in or permitted pursuant to the Reimbursement Agreement, or unless otherwise provided by law, the University shall maintain its existence and continue to be a duly formed and validly existing limited liability company under the laws of the State of Delaware.

ARTICLE VI REDEMPTION OF PROJECT BONDS

Section 6.1. Optional Redemption. Provided no Event of Default shall have occurred and be continuing at any time and from time to time, the University may deliver moneys to the Trustee in addition to Loan Payments or Additional Payments required to be made and direct the Trustee to use the moneys so delivered for the purpose of purchasing Project Bonds or of reimbursing the Bank for drawings on the Letter of Credit used to redeem Project Bonds called for optional redemption in accordance with the applicable provisions of the Indenture.

Section 6.2. Extraordinary Optional Redemption. With the written consent of the Bank, the University shall have, subject to the conditions hereinafter imposed, the option to direct the redemption, at a redemption price of 100% of principal amount and accrued interest, of the entire unpaid principal balance of the Project Bonds in accordance with the applicable provisions of the Indenture upon the occurrence of any of the following events:

(a) The Project or Project Site shall have been damaged or destroyed to such an extent that (1) the Project or Project Site cannot reasonably be expected to be restored, within a period of three months, to the condition thereof immediately preceding such damage or destruction or (2) normal use and operation of the Project or the Project Site is reasonably expected to be prevented for a period of three consecutive months;

(b) Title to, or the temporary use of, all or a significant part of the Project or Project Site shall have been taken under the exercise of the power of eminent domain (1) to such extent that the Project or Project Site cannot reasonably be expected to be restored within a period of three months to a condition of usefulness comparable to that existing prior to the taking or (2) as a result of the taking, normal use and operation of the Project or Project Site is reasonably expected to be prevented for a period of three consecutive months;

(c) As a result of any changes in the Constitution of the State, the constitution of the United States of America, or state or federal laws, or as a result of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Issuer, the Trustee or the University in good faith, this Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed in this Agreement, or if unreasonable burdens or excessive liabilities shall have been imposed with respect to the Project or Project Site or the operation thereof, including, without limitation, federal, state or other ad valorem, property, income or other taxes not being imposed on the date of this Agreement other than ad valorem taxes presently levied upon privately owned property used for the same general purpose as the Project or the Project Site; or

(d) Changes in the economic availability of raw materials, operating supplies, energy sources or supplies, or facilities (including, but not limited to, facilities in connection with the disposal of industrial wastes) necessary for the operation of the Project or the Project Site shall have occurred or technological or other changes shall have occurred which the University cannot reasonably overcome or control and which in the University's reasonable judgment render the operation of the Project or the Project Site uneconomic.

The University also shall have the option, with the written consent of the Bank, in the event that title to or the temporary use of a portion of the Project or the Project Site shall be taken under the exercise of the power of eminent domain, even if the taking is not of such nature as to permit the exercise of the redemption option upon an event specified in clause (b) above, to direct the redemption, at a redemption price of 100% of the principal amount thereof prepaid, plus accrued interest to the redemption date, of that part of the outstanding principal balance of the Project Bonds as may be payable from the proceeds received by the University (after the payment of costs and expenses incurred in the collection thereof) in the eminent domain proceeding, provided that the University shall furnish to the Issuer and the Trustee a certificate of an Engineer stating that (1) the property comprising the part of the Project or the Project Site taken is not essential to continued operations of the Project in the manner existing prior to that taking, (2) the Project has been restored to a condition substantially equivalent to that existing prior to the taking, or (3) other improvements have been acquired or made which are suitable for the continued operation of the Project.

To exercise any option under this Section, the University within 90 days following the event authorizing the exercise of that option, or at any time during the continuation of the condition referred to in clause (d) of the first paragraph of this Section, shall give notice to the Issuer, the Trustee and the Bank specifying the date of redemption, which date shall be not more than ninety days from the date that notice is mailed, and shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption.

The rights and options granted to the University in this Section may be exercised whether or not the University is in default hereunder; provided, that such default will not relieve the University from performing those actions which are necessary to exercise any such right or option granted hereunder.

Section 6.3. Mandatory Redemption of Project Bonds. If, as provided in the Project Bonds and the Indenture, the Project Bonds become subject to mandatory redemption, upon the date requested by the Trustee, the University shall pay to the Trustee moneys sufficient to pay in full the Project Bonds to be redeemed in accordance with the mandatory redemption provisions relating thereto set forth in the Indenture.

Section 6.4. Actions by Issuer. At the request of the University, the Bank or the Trustee, the Issuer shall take all steps required of it under the applicable provisions of the Indenture or the Bonds to effect the redemption of all or a portion of the Bonds pursuant to this Article VI.

Section 6.5. Required Deposits for Optional Redemption. Except with the prior written consent of the Bank (except with respect to optional redemptions required by the Reimbursement Agreement), the Trustee shall not give notice of call to the Holders pursuant to the optional redemption provisions of Section 4.01 of the Indenture and Sections 6.1 and 6.2 hereof unless, prior to the date by which the call notice is to be given, there shall be on deposit with the Trustee Eligible Funds sufficient to redeem at the redemption price thereof, including premium (if any) and interest accrued to the redemption date, all Project Bonds for which notice of redemption is to be given.

All amounts paid by the University pursuant to this Article which are used to pay principal of, premium, if any, or interest on the Bonds, or to reimburse the Bank for moneys drawn under the Letter of Credit and used for such purposes, shall constitute prepaid Loan Payments.

ARTICLE VII EVENTS OF DEFAULT AND REMEDIES

Section 7.1. Events of Default. Each of the following shall be an Event of Default:

- (a) The University shall fail to pay when due any Loan Payment;
- (b) Any representation or warranty by the University contained herein or in any certificate or instrument delivered by the University pursuant hereto or in connection with the issuance of the Project Bonds or any Additional Bonds is false or misleading in any material respect;
- (c) The University shall fail to observe and perform any other agreement, term, covenant or condition contained in this Agreement, and the continuation of such failure for a period of 30 days after notice thereof shall have been given to the University by the Issuer or the Trustee, or for such longer period as the Issuer and the Trustee may agree to in writing; provided, that if the failure is other than the payment of money and is of such nature that it can be corrected but not within the applicable period, that failure shall not constitute an Event of Default so long as the University institutes curative action within the applicable period and diligently pursues that action to completion;
- (d) The University shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or hereafter in effect; (iii) commence a proceeding under

any other federal or state bankruptcy, insolvency, reorganization or similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for 90 days; (iv) make an assignment for the benefit of creditors; or (v) have a receiver or trustee appointed for it or for the whole or any substantial part of its property;

(e) There shall occur an "Event of Default" as defined in Section 7.01 of the Indenture.

Notwithstanding the foregoing, if, by reason of Force Majeure, the University is unable to perform or observe any agreement, term or condition hereof which would give rise to an Event of Default under subsection (c) hereof (provided that such failure is other than the payment of money), the University shall not be deemed in default during the continuance of such inability. However, the University shall promptly give notice to the Trustee and the Issuer of the existence of an event of Force Majeure and shall use its best efforts to remove the effects thereof; provided that the settlement of strikes or other industrial disturbances shall be entirely within the University's discretion.

The term Force Majeure shall mean, without limitation, the following:

(i) acts of God; strikes; lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornados; storms; droughts; floods; arrests; restraint of government and people; explosions; breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; shortages of labor, materials, supplies or transportation; or

(ii) any cause, circumstance or event not reasonably within the control of the University.

The declaration of an Event of Default under subsection (d) above, and the exercise of remedies upon any such declaration, shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding that declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings.

Section 7.2. Remedies on Default. Whenever an Event of Default shall have happened and be continuing, any one or more of the following remedial steps may be taken:

(a) If and only if acceleration of the principal amount of the Bonds has been declared pursuant to Section 7.03 of the Indenture, the Trustee shall declare all Loan Payments to be immediately due and payable, whereupon the same shall become immediately due and payable;

(b) The Bank or the Trustee may have access to, inspect, examine and make copies of the books, records, accounts and financial data of the University pertaining to the Project; and

(c) The Issuer or the Trustee may pursue all remedies now or hereafter existing at law or in equity to collect all amounts then due and thereafter to become due under this Agreement or the Letter of Credit or to enforce the performance and observance of any other obligation or agreement of the University under those instruments.

Notwithstanding the foregoing, the Issuer shall not be obligated to take any step which in its opinion will or might cause it to expend time or money or otherwise incur liability unless and until a satisfactory indemnity bond has been furnished to the Issuer at no cost or expense to the Issuer. Any amounts collected as Loan Payments or applicable to Loan Payments and any other amounts which would be applicable to payment of Bond Service Charges collected pursuant to action taken under this Section shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture or, if the outstanding Bonds have been paid and discharged in accordance with the provisions of the Indenture, shall be paid as provided in Section 5.08 of the Indenture for transfers of remaining amounts in the Bond Fund.

The provisions of this section are subject to the further limitation that the rescission by the Trustee of its declaration that all of the Bonds are immediately due and payable also shall constitute an annulment of any corresponding declaration made pursuant to paragraph (a) of this Section and a waiver and rescission of the consequences of that declaration and of the Event of Default with respect to which that declaration has been made, provided that no such waiver or rescission shall extend to or affect any subsequent or other default or impair any right consequent thereon.

Section 7.3. No Remedy Exclusive. No remedy conferred upon or reserved to the Issuer or the Trustee by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement, the Letter of Credit, or now or hereafter existing at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair that right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than any notice required by law or for which express provision is made herein.

Section 7.4. Agreement to Pay Attorneys' Fees and Expenses. If an Event of Default should occur and the Issuer or the Trustee should incur fees and expenses, including attorneys' fees, in connection with the enforcement of this Agreement, the Letter of Credit or the collection of sums due thereunder, the University shall reimburse the Issuer and the Trustee, as applicable, for the reasonable fees and expenses so incurred upon demand.

Section 7.5. No Waiver. No failure by the Issuer or the Trustee to insist upon the strict performance by the University of any provision hereof shall constitute a waiver of their right to strict performance and no express waiver shall be deemed to apply to any other existing or subsequent right to remedy the failure by the University to observe or comply with any provision hereof.

The Issuer and the Trustee may waive any Event of Default hereunder only with the prior written consent of the Bank.

Section 7.6. Notice of Default. The University or the Issuer shall notify the Trustee and the Bank immediately if it becomes aware of the occurrence of any Event of Default hereunder or of any fact, condition or event which, with the giving of notice or passage of time or both, would become an Event of Default.

Section 7.7. Remedies Subject to Bank's Direction. Except in the case of an Event of Default pursuant to Section 7.01(g) or (h) of the Indenture, subject to the Trustee's right to be indemnified to its satisfaction, the Bank shall have the right to direct the remedies to be exercised by the Trustee, whether under Article VII of this Agreement or under Article VII of the Indenture.

ARTICLE VIII MISCELLANEOUS

Section 8.1. Term of Agreement. This Agreement shall be and remain in full force and effect from the date of initial delivery of the Project Bonds until such time as all of the Bonds shall have been fully paid (or provision made for such payment) pursuant to the Indenture and all other sums payable by the University under this Agreement shall have been paid.

Section 8.2. Notices. All notices, certificates, requests or other communications hereunder shall be in writing and shall be deemed to be sufficiently given when mailed by registered or certified mail, postage prepaid, and addressed to the appropriate Notice Address. A duplicate copy of each notice, certificate, request or other communication given hereunder to the Issuer, the University, the Bank or the Trustee shall also be given to the others. The University, the Issuer, the Bank and the Trustee, by notice given hereunder, may designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 8.3. Extent of Covenants of the Issuer; No Personal Liability. All covenants, obligations and agreements of the Issuer contained in this Agreement or the Indenture shall be effective to the extent authorized and permitted by applicable law. No such covenant, obligation or agreement shall be deemed to be a covenant, obligation or agreement of any present or future member, officer, agent or employee of the Issuer in other than his official capacity, and neither the members of the Issuer nor any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof or by reason of the covenants, obligations or agreements of the Issuer contained in this Agreement or in the Indenture.

Section 8.4. Binding Effect. This Agreement shall inure to the benefit of and shall be binding in accordance with its terms upon the Issuer, the University, the Bank and their respective successors and assigns; provided that this Agreement may not be assigned by the University (except in connection with a sale, loan or grant of use pursuant to Section 5.2 hereof) and may not be assigned by the Issuer except to the Trustee pursuant to the Indenture or as otherwise may be necessary to enforce or secure payment of Bond Service Charges. This Agreement may be enforced only by the parties, their assignees and others who may, by law, stand in their respective places. The Bank is acknowledged and agreed to be a third party beneficiary of various provisions of this

Agreement and the Indenture, including but not limited to Section 3.2 and Section 3.4(f) of this Agreement.

Section 8.5. Amendments and Supplements. Except as otherwise expressly provided in this Agreement or the Indenture, subsequent to the issuance of the Project Bonds and prior to all conditions provided for in the Indenture for release of the Indenture having been met, this Agreement may not be effectively amended, changed, modified, altered or terminated except in accordance with the applicable provisions of Article XI of the Indenture.

Section 8.6. Execution Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

Section 8.7. Severability. If any provision of this Agreement, or any covenant, obligation or agreement contained herein, is determined by a court of competent jurisdiction to be invalid or unenforceable, that determination shall not affect any other provision, covenant, obligation or agreement, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained herein. That invalidity or unenforceability shall not affect any valid and enforceable application thereof, and each such provision, covenant, obligation or agreement shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

Section 8.8. Governing Law. This Agreement shall be deemed to be a contract made under the laws of the Commonwealth of Kentucky and for all purposes shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

IN WITNESS WHEREOF, the Issuer and the University have caused this Agreement to be duly executed in their respective names, all as of the date first above written.

LOUISVILLE/JEFFERSON COUNTY
METRO GOVERNMENT

By _____
Mayor

Attest:

Clerk of the Metro Council

APPROVED AS TO FORM AND LEGALITY:
Irv Maze, Jefferson County Attorney

By: _____
James T. Carey,
Assistant County Attorney

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041808

BELLARMINE UNIVERSITY INCORPORATED

By: _____

Its: _____

COMMONWEALTH OF KENTUCKY)

) $SS:$

COUNTY OF WARREN)

On this, the ____ day of _____, 2006, before me, the undersigned notary public, personally appeared _____ and _____, who acknowledged themselves to be the Mayor and Clerk of the Metro Council of Louisville/Jefferson County Metro Government, a political subdivision of the Commonwealth of Kentucky, and they, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of said Issuer by themselves in their capacity.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

(NOTARIAL SEAL)

[illegible]

On this, the _____ day of _____, 2008 before me, the undersigned notary public, personally appeared _____, who acknowledged himself to be the _____ of Bellarmine University Incorporated, a Kentucky nonprofit corporation, and that he executed the foregoing instrument for the purposes therein contained by signing on behalf of such limited liability company by himself as such _____.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

(NOTARIAL SEAL)

This Instrument was
Prepared by:

William L. Skees, Jr.
FROST BROWN TODD LLC
400 W. Market Street, 32nd Flr.
Louisville, Kentucky 40202-3363
(502) 589-5400